UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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MYRON MIXON and JACK'S OLD SOUTH, LLC,

Plaintiffs,

v. 13 CV 5534(JGK)

PRIDE AND JOY MIAMI, LLC d/b/a PRIDE & JOY, LLC, PRIDE AND JOY BBQ, LLC d/b/a PRIDE & JOY, LLC and PABLO CARDENAS,

Defendants.

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New York, N.Y.
April 22, 2014
2:45 p.m.

Before:

HON. JOHN G. KOELTL,

District Judge

APPEARANCES

MERLE, BROWN & NAKAMURA, P.C.
Attorneys for Plaintiffs
BY: STEPHEN H. NAKAMURA
ANDREW R. PECK

WILMER CUTLER PICKERING HALE AND DORR LLP
Attorneys for Defendants
BY: PETER J. MACDONALD
CRAIG R. HEEREN

(Case called)

MR. MACDONALD: Good afternoon, your Honor, Peter Macdonald from WilmerHale for the defendants.

MR. HEEREN: Craig Heeren from WilmerHale for the defendants.

MR. NAKAMURA: Stephen Nakamura for the plaintiffs.

MR. PECK: Andrew Peck for the plaintiffs.

THE COURT: All right. Good afternoon, all.

MR. MACDONALD: Good afternoon.

MR. NAKAMURA: Good afternoon.

THE COURT: This is a motion to dismiss. I should point out, I probably told you this before, I know people at WilmerHale personally, professionally. One of my former law clerks was a partner there. Nothing about that affects anything I do in the case. I don't believe I know any of the lawyers here. All right.

Motion to dismiss. I'm familiar with the papers. I'll listen to arguments.

MR. MACDONALD: Thank you, your Honor. Peter Macdonald for the defendants.

I would like to divide up the argument, I will address the issues of the motion to dismiss the contract claims, and my colleague Craig Heeren will address the trademark and misappropriation of name claims, to the extent your Honor has questions about those.

THE COURT: How much time do you want?

MR. MACDONALD: I will be at the Court's mercy in terms of time.

THE COURT: About 10 minutes.

MR. MACDONALD: Thank you. I'll be brief.

I would just like to start, your Honor, by addressing, and maybe entering the discussion with two cases, Braun and Bouton. I know you're familiar with the Bouton case.

I think those cases are interesting and illuminating here, because in both those cases you had situations where there was partial performance in the Braun case for an extended period of time. In both of those cases, once the record was established, the Court was dispositive in addressing the claims.

THE COURT: But it was only after many more proceedings. Bouton was after trial.

MR. MACDONALD: Yes, but I think once the operative facts were determined, in Bouton obviously by a trial, in Braun by summary judgment record, but the principles that were established apply here and on the pleadings are comparable. And there are certainly numerous cases that have been disposed of on 12(b)(6) grounds, which we cite: the Anostario case, the Ixe Banco case, Kleinberg, Laruffa, National Gear. There are others that I think the only distinction was it took some time because there were disputes.

Usually it's because it was an oral agreement, or an alleged oral agreement. And I think that's what is distinctive about this case, is that this is not a case where you have the classic situation where you have an agreement that says there are no oral modifications and the parties allege that there were some oral discussions that constitute the basis for the modification.

In this case there's no allegation of any oral communication. The record is established simply in the context of the draft document and some text messages.

THE COURT: There are plainly substantial allegations of partial performance inextricably intertwined with the new agreement.

MR. MACDONALD: Well, inextricably --

THE COURT: Plainly referable to the new agreement.

MR. MACDONALD: Well, that's a fair characterization, but not exclusively referable. And I think that's a critical distinction.

The courts make it very clear that if it's referable to both the initial agreement and the purported amended agreement, that is not going to do it for the claim, because it has to be exclusively referable.

THE COURT: But here certainly, for purposes of a motion to dismiss, it appears to be exclusively referable to the new agreement. The $50,000 was more than was owed under

the other agreement and was precisely what was owed under the new agreement. And the parties seem to act as though the new agreement were in force, in terms of using the name and doing all of the proceedings in New York as though they had the right to use the name in New York, which they didn't have, other than if there were a new agreement.

MR. MACDONALD: Well, I think the response to that, your Honor, is that the conduct that they were engaging in -- and I would direct the Court to Anostario, the Merrill Lynch case, and the Rose v. Spa case, because I think those all go directly to your Honor's question, which is when the conduct is referable to both the existing agreement, which it was here.

He was owed money under the original agreement.

THE COURT: He was owed, what, 32,000 under the old agreement? And now he's paid --

MR. MACDONALD: And five weeks later would be owed 50,000, because the next $18,000 payment would be due.

THE COURT: But he's paid before he's otherwise due that, and precisely what he's due under the new agreement.

MR. MACDONALD: And that's true, and it's consistent with the parties working towards a new agreement. But that doesn't get you out from the exception under 15-301. I think the cases are very clear that when the parties are doing things that are preparatory to a new agreement -- I think the *Merrill Lynch* case from the Second Circuit is very instructive on that

point because it is exactly that situation. The parties executed notes obligating themselves to pay amounts in anticipation of a closing. It didn't happen, and they attempted to bring the claim as an oral modification of an existing agreement.

And the response of the Court there, it was a dispositive motion, was that, is the fact that it is consistent with working towards a new agreement when the parties have unambiguously made clear that they're not going to be bound to a new agreement until they execute a writing is critical.

And I think that the overwhelming number of cases that are cited by both sides are cases in which the claim was dismissed, the contract claim.

One of the few where it wasn't, the Rose v. Spa case, is a case where you have significant detrimental reliance, and the parties did things like built model homes and spent hundreds of thousands of dollars on work towards a real estate development.

And I think Judge Breitel in that case makes it clear that the detrimental reliance element is very important in understanding when the rare exception to 15-301 will be permitted.

So, I really do think, your Honor, that a fair reading of those cases demonstrates that when the conduct is consistent both with preparing a new agreement, and in this case was

consistent with the existing agreement, I think that the accounting difference of the amount is not relevant. And in fact in the claim in this case the plaintiffs have claimed that 50,000 is an offset to their claim under the 2012 agreement, if that's the agreement they end up suing on.

So, I think it's not a situation where if there's any basis to say it's referable to the new agreement, rather the standard is it has to be exclusively referable, and I think the words that were used are inconceivable absent the new agreement. And that's not the case here.

Mindful of the time, just briefly on the second point I would address with respect to the contract claim, your Honor, is the claim against Pride and Joy New York.

That is a claim under a proposed contract, either the 2012 or the 2013 agreement, it's not entirely clear, but Pride and Joy New York was not a party to either of those agreements and is not named on the proposed amendment.

And in the opposition the plaintiffs cite no case, there's basically two paragraphs where they make an argument, but even that argument is internally inconsistent, and they say the 2013 agreement is either a new agreement or it modified the 2012 agreement. And it can't be both. And it clearly by its terms purported to be a new agreement.

Pride and Joy New York was not a party to the old agreement, and is not even listed as a party to the new

agreement. So certainly the claims against Pride and Joy New York under the proposed amendment or under the 2012 agreement, if the plaintiffs are pursuing that theory, should be dismissed.

THE COURT: What's happening on the ground with the New York restaurant?

MR. MACDONALD: Nothing. It's dead in the water and has been so for over a year, as far as I know.

THE COURT: No expectation of opening?

MR. MACDONALD: I think there's an expectation at some point of opening. It will not be a Pride and Joy restaurant. That theme, if you can use that term for a restaurant, is not what's going to be pursued. It will be an entirely different type of restaurant, and certainly will have no affiliation with Mr. Mixon or use anything remotely approaching his particular brand of cuisine.

So, mindful of the time, I would like to cede the dais if I can to my colleague Mr. Heeren to address the trademark claims briefly.

THE COURT: Sure.

MR. MACDONALD: Thank you.

THE COURT: Thank you.

MR. HEEREN: Thank you, and good afternoon, your Honor.

Plaintiffs' trademark infringement claims against the

individual defendant, Mr. Cardenas, they need to allege that he was an active participant in the infringement, and they have failed to do so.

The only allegations against Mr. Cardenas are that he was a controlling member of the PJNY, Pride and Joy New York, and that he approached Mr. Mixon's agent in 2012.

There's no allegations that Mr. Cardenas directed that Mr. Mixon's image be used on Facebook, that he specifically requested that Mr. Mixon attend any pre-opening events. There's no allegations that Mr. Cardenas was an active participant in even the negotiations for the 2013 amendment that they allege.

In fact, in their amended complaint the only infringing conduct is alleged to be done by Pride and Joy, the Pride and Joy corporate entities.

The two cases, relevant cases cited here are instructional. In both Carell and Bambu Sales, the Court dismissed some individual defendants and declined to dismiss others. In Carell, it was on a motion to dismiss. The plaintiff adequately pled claims against one defendant because they had alleged that the defendant licensed many of the infringing uses, participated in the infringements, and was responsible for the misattribution of this makeup design kit that was related to the musical "Cats," and that this defendant willfully deprived her of authorship credits.

By contrast, allegations that other defendants had ownership of relevant company, their status as a producer of a Broadway production, and the fact that they're credited on the allegedly infringing video was insufficient.

The simple allegation that these defendants "participated in some, if not all," of the infringement is conclusory, as the Court concluded there. And the same applies here with these allegations.

Bambu Sales is no different, it was on a summary judgment motion, but that was pre-Iqbal and Twombly. And the defendant was dismissed, they did not allege any "wrongful acts." By contrast, the defendant that remained was a manager who purchased and resold the counterfeit goods.

THE COURT: Do you think Iqbal and Twombly changed the law as to what a plaintiff has to allege?

MR. HEEREN: I think Iqbal and Twombly make it clear that it has to be plausible, not just possible.

THE COURT: Right. Did it really change the law any?

MR. HEEREN: I think it clarified for the courts that these complaints needed to move the ball beyond just simply asserting the basic elements of facts -- the basic elements of a claim, which is precisely the case here. So, to answer your question, I don't think it raised the pleading standard, your Honor, it's still a Rule 8 pleading notice, but that is defined by the Court that there's plausible facts alleged. And I think

those facts are absent here. There's no facts to indicate there was an active participant; they merely allege she was a passive member of the partnership.

And I'd just state very briefly that there's no misappropriation claim under New York law. The plaintiffs seem to have abandoned that claim.

THE COURT: Well, let me listen in a moment to whether the plaintiff has abandoned it or not.

You first raised that argument in a footnote, right?

MR. HEEREN: Yes, your Honor.

THE COURT: Okay.

MR. HEEREN: There's not much case law on it, but the instructive case from 2005 indicates, if you're going to plead that form of claim, it has to be a statutory claim under Section 50 or 51 of the New York Civil Rights Law.

If your Honor has no questions, I will --

THE COURT: Okay. Thank you.

MR. HEEREN: Thank you.

MR. NAKAMURA: Good afternoon, your Honor. I will try to be brief.

THE COURT: You will be brief.

MR. NAKAMURA: I will be brief. Yes, sir.

On the contract issue and the issue of partial performance, I think what's highlighted here is it's a fact-sensitive inquiry. And there's two things going on.

One is the conduct was not merely preparatory. There was the creation of a New York Facebook page. There was entry into a lease. There was the payment of the exact $50,000 amount. There was an application filed with the New York State Liquor Authority.

As to the identity of the entity on the 2013 agreement, it is listed as Pride & Joy, LLC, which as far as we know is a nonexistent entity. And we've alleged that both the New York entity and the Florida entity conducted business under the name Pride and Joy, as though it were some sort of brand name.

With respect to the trademark case, I think again what we're looking at here is a fact-sensitive inquiry. Is it plausible that Mr. Cardenas, who is alleged to be a controlling owner and managing member of Pride and Joy, directed the infringing activity?

Now, in this instance it's not as though we hit them with a suit out of the blue. We told them in early July by letter, cut it out, stop using Mr. Mixon's name and likeness, because you haven't paid him.

We wrote to both Pride and Joy and Mr. Cardenas. Mr. Cardenas is the controlling owner of the company, and that conduct persisted.

I think it's perfectly plausible to suggest that the controlling owner directed the infringing activity of a

five-member limited liability company.

THE COURT: Could I ask what this case is really about? How much does Mr. Mixon claim that he is really owed, now that the New York restaurant has not taken off, no plans, the defendants say, to pursue the New York restaurant, the deal has plainly fallen apart? Is the Miami restaurant still operating?

MR. NAKAMURA: Yes, your Honor, it is still operating and, as far as I know, they've opened a second location in the Continental Airlines Arena where the Miami Heat play.

THE COURT: Using Mr. Mixon's name?

MR. NAKAMURA: No. Using Pride and Joy. But they still use his name to the extent that he's listed on their Facebook page as the chef and owner.

THE COURT: With respect to the second restaurant or the first?

MR. NAKAMURA: With respect to the first restaurant, Pride and Joy Miami. Although on that Facebook page they reference their concession stand.

I think what this case is really about is that the defendants have paid a front-loaded value using Mr. Mixon's name and likeness. They paid him a paltry sum of around $40,000, then another 50, and then dumped him, that's what this is about, and then repudiated the agreement.

THE COURT: But even the new agreement doesn't pay him

a huge amount of money.

MR. NAKAMURA: $100,000 per year, your Honor, as opposed to $75,000 per year, and they repudiated that agreement.

THE COURT: And the defendants have stopped paying him at all?

MR. NAKAMURA: Correct.

THE COURT: And this is a partial motion to dismiss, right --

MR. NAKAMURA: Correct.

THE COURT: -- there are some monies that the defendants don't dispute that are owed?

MR. NAKAMURA: Well, I don't know if they dispute whether or not 75,000 a year is owed, but, yes, there still will be a claim, your Honor.

THE COURT: One would have thought that this is the kind of case that should be resolved because the amount that could possibly be dividing the parties is not that great, with the demise of the New York restaurant, with the failure to use Mr. Mixon's name on the second Florida restaurant. But go ahead.

MR. NAKAMURA: Regarding New York, your Honor --

THE COURT: With respect to the claim for misappropriation of name and likeness, have you abandoned that claim?

MR. NAKAMURA: No, your Honor, we haven't. Like your Honor mentioned, it was brought up in a footnote. We didn't address it, I admit that, in opposing the motion to dismiss.

My understanding, and I would have to double-check, but I believe Georgia's misappropriation statute would apply in this instance, where Mr. Mixon resides, as opposed to New York's, but I am not admittedly prepared to talk about that today.

One other thing about the New York restaurant, your Honor, is I don't know if they're entirely shut down. There's an ongoing litigation between Pride and Joy New York and the landlord for that space. We would probably have to learn from discovery what their intentions are with regard to that restaurant.

THE COURT: Well, they say it's not to use Mr. Mixon in any way in terms of promotion of the New York restaurant.

MR. NAKAMURA: I understand that, and I believe that, your Honor. I think what's somewhat being lost here is that they obtained all of their value from the use of his name and likeness to launch. That is where they derive their value from. There wouldn't be a successful Pride and Joy down in Florida and second concession where the Miami Heat play if it weren't for him getting involved from the get-go. That was how they started this business, your Honor.

THE COURT: Do you know that the restaurant in Florida

is profitable?

MR. NAKAMURA: Well, Mr. Mixon's agent, Mr. Michael Psaltis, of an entity known as The Cea, did receive up through about February of 2004 --

THE COURT: 2014.

MR. NAKAMURA: 2014 -- I'm sorry -- gross sales reports for food for the day, which would be anything that was entered into the point-of-sale system, it would exclude drinks.

And in speaking with him, my understanding is that it appears that maybe the restaurant is doing on food about 3.5 a year, and that excludes drinks, but I'd have to analyze the statements myself to be able to make a representation about that.

THE COURT: Okay.

MR. NAKAMURA: Thank you, your Honor.

THE COURT: All right. I'm prepared to decide.

The plaintiffs, Myron Mixon and Jack's Old South, LLC (collectively, "plaintiffs"), bring this action for breach of contract, trademark infringement, and common law misappropriation of name and likeness against Pride and Joy Miami, LLC, ("PJM"), Pride and Joy BBQ, LLC, ("PJNY"), and Pablo Cardenas (collectively, the "defendants"). The plaintiffs allege that the defendants are in breach of a 2012 agreement pursuant to which Mixon was compensated in exchange for assisting the defendants in opening a Miami restaurant and

in exchange for allowing the defendants to use his name and likeness in marketing the Miami restaurant. The plaintiffs also allege that the defendants are in breach of an alleged 2013 amendment to the 2012 agreement, and that the defendants engaged in the unlawful use of Mixon's name and likeness in promoting a New York restaurant.

The defendants move to dismiss several of the plaintiffs' claims pursuant to Federal Rule of Civil Procedure 12(b)(6) for failure to state a claim. Specifically, the defendants move to dismiss the plaintiffs' claims for breach of the alleged 2013 amendment and common law misappropriation of name and likeness in their entirety, to dismiss the plaintiffs' claim for breach of the 2012 agreement against defendant PJNY, and to dismiss the plaintiffs' claim for trademark infringement against defendant Cardenas. This Court has jurisdiction pursuant to 28 U.S.C. Section 1332 based on diversity of citizenship and the amount in controversy. The Court also has jurisdiction over the plaintiffs' Lanham Act trademark claims pursuant to 28 U.S.C. Sections 1331, 1338(a) and 1338(b), and supplemental jurisdiction over any state law claims pursuant to 28 U.S.C. Section 1367(a).

In deciding a motion to dismiss pursuant to Rule 12(b)(6), the allegations in the complaint are accepted as true, and all reasonable inferences must be drawn in the plaintiffs' favor. McCarthy v. Dun & Bradstreet Corp., 482

F.3d 184, 191, (2d Cir. 2007). The Court's function on a motion to dismiss is "not to weigh the evidence that might be presented at trial but merely to determine whether the complaint itself is logically sufficient." Goldman v. Belden, 754 F.2d 1059, 1067, (2d Cir. 1985). A complaint should not be dismissed if the plaintiffs have stated "enough facts to state a claim to relief that is plausible on its face." Bell Atlantic Corp. v. Twombly, 550 U.S. 544, 570 (2007). "A complaint has facial plausibility when the plaintiff[s] plead factual content that allows the court to draw the reasonable inference that the defendant is liable for the misconduct alleged." Ashcroft v. Iqbal, 556 U.S. 662, 678, (2009). While factual allegations should be construed in the light most favorable to the plaintiffs, "the tenet that a court must accept as true all of the allegations contained in a complaint is inapplicable to legal conclusions."

The following facts are undisputed or accepted as true for purposes of the defendants' Motion to Dismiss.

Myron Mixon is a celebrity chef who specializes in barbeque and who resides in Georgia. He makes frequent appearances on national television, has published a best-selling cookbook, and has won various culinary competitions. Mixon's company, Jack's Old South, LLC, is a Georgia company with its principal place of business in Georgia. Through Jack's Old South, Mixon sells various cooking

products and ingredients, and also operates a cooking school and catering business.

Defendant PJM is a Florida company with its principal place of business in Florida. Defendant PJNY is a New York company with its principal place of business in New York. The plaintiffs allege that both PJM and PJNY do business as Pride and Joy, LLC. Defendant Pablo Cardenas is the managing member and majority owner of PJM and PJNY, and is a resident of Florida.

In or about December 2011 or January 2012, PJM approached Mixon's agent, Michael Psaltis, about partnering with Mixon to open a barbeque restaurant in Miami, Florida. PJM represented that the partnership would be valuable for both parties because Mixon would be compensated directly and PJM would leverage Mixon's profile and culinary expertise to develop a profitable restaurant.

On March 5, 2012, PJM and Mixon entered into an agreement called the Myron Mixon/Pride and Joy Restaurant Partnership Agreement (the "2012 Agreement"). Pursuant to the 2012 agreement, Mixon granted PJM the right to use Mixon's name and likeness in connection with a Miami Barbeque restaurant to be called Pride and Joy. The 2012 agreement also provided that Mixon would assist PJM in developing the restaurant, such as by consulting with PJM on matters like food service, the menu, and other back-of-house operations. With respect to Mixon's

compensation, the 2012 agreement provided that Mixon would receive an upfront payment of $40,000. Additionally, the 2012 agreement provided that Mixon would receive 10 percent of the Miami restaurant's net profits, and receive a $75,000 yearly salary, payable in quarterly installments after the Miami restaurant opened. Under the 2012 agreement, each party agreed to refrain from opening another barbeque restaurant without first providing the other party to the agreement with an opportunity to participate in the new venture.

After executing the 2012 agreement, PJM began to develop and market the Miami restaurant. In doing so, PJM relied heavily on Mixon's name and likeness, using it in various advertising campaigns, and decorating the Miami restaurant, and in designing the restaurant's menu. PJM opened the Miami restaurant to the public in October 2012.

Although PJM made the $40,000 upfront payment due to Mixon under the 2012 agreement, the plaintiffs allege that PJM did not make the first and second quarterly installments of Mixon's salary under the 2012 agreement on schedule. Instead of paying the first and second quarterly installments of Mixon's salary, some $37,500, PJM sought to renegotiate the 2012 agreement. Mixon agreed to renegotiate the 2012 agreement and the parties began discussing an amendment to the 2012 agreement in or about January 2013. The plaintiffs maintain that the terms of this alleged amendment (the "2013 Amendment")

are memorialized in a letter dated January 18, 2013.

According to the plaintiffs, the 2013 agreement required that Mixon waive payment of the $37,500 owed to him under the 2012 agreement, and that Mixon allow PJM to use Mixon's name and likeness in connection with developing and marketing a New York restaurant. In exchange, PJM would be required to increase Mixon's yearly salary, referred to as his license fee, from $75,000 per year to $100,000 per year. PJM was to pay Mixon's $100,000 yearly salary in biannual installments of $50,000 due on January 20th and July 1st of each year. The plaintiffs also contend that the 2013 agreement entitled Mixon to a 10 percent ownership interest in both the Miami and New York restaurants, and to voting rights with respect to each restaurant that were equal to the voting rights of the managing members of each restaurant. Mixon would continue to receive 10 percent of the net profits from each location. The 2013 agreement was to be executed between Mixon and an entity called "Pride & Joy, LLC," an umbrella entity that allegedly encompasses both PJM and PJNY.

On January 18, 2013 Psaltis, on behalf of Mixon, circulated a draft of the 2013 agreement to members of PJM and PJNY. By January 23, 2013, two members of PJM and PJNY had approved the amendment. Additionally, on January 23, 2013, one managing member of PJM and PJNY, Chris Mayer, indicated his agreement and requested wire info for Mixon. On January 25,

2013, Psaltis requested that PJM and PJNY wire funds owed to Mixon pursuant to the 2013 agreement. In response, Mayer stated: "Yeah, I'm on it," and Mixon received $50,000 by wire transfer that day.

While the parties were negotiating the 2013 amendment, PJNY and PJM began promoting the New York restaurant, to be called Pride and Joy New York BBQ. In promoting the New York restaurant, PJNY and PJM highlighted the restaurant's association with Mixon. Specifically, the plaintiffs allege that PJM and PJNY launched a Facebook page exploiting Mixon's name, likeness and trademarks in connection with the New York restaurant. The defendants held a pre-opening of the New York Restaurant on May 21, 2013.

The defendants did not make the biannual $50,000 payment due to Mixon on July 1, 2013 under the alleged 2013 agreement. After Mixon demanded payment, the defendants by counsel informed Mixon that they did not believe the 2013 amendment constituted a valid contract and did not intend to perform under the 2012 agreement.

The defendants also maintained that they were not at that juncture using Mixon's name, likeness, or trademarks.

The plaintiffs bring claims predicated on breach of the alleged 2013 agreement, and, alternatively, a breach of the 2012 agreement. The plaintiffs also bring claims for trademark infringement and common law misappropriation of name and

likeness.

The defendants contend that the plaintiffs' claims for breach of the 2013 agreement should be dismissed because the 2013 amendment was a preliminary, unsigned, and therefore nonbinding agreement. The plaintiffs contend the parties objectively manifested their intent to be bound by the 2013 amendment.

The parties agree that their intent to be bound by the 2013 amendment is governed by New York law. See, e.g., Powe v. Cambium Learning Co., No. 08 Civ. 1963, 2009 WL 2001440, at 4 (S.D.N.Y. July 9, 2009). See also RLI Insurance Co. v. Conseco, 543 F.3d 384, 390 (7th Cir. 2008), ("When neither party raises a conflict of law issue in a diversity case, the applicable law is that of the state in which the federal court sits.")

"Under New York law, if the parties do not intend to be bound by an agreement until it is in writing and signed, then there is no contract until that event occurs." R.G. Group Inc. v. Horn & Hardart Co., 751 F.2d 69, 74 (2d. Cir. 1984) (citing Scheck v. Francis, 260 N.E.2d 493, 493 (N.Y. 1970)). However, "parties are free to enter into a binding contract without memorializing their agreement in a fully executed document." Winston v. Mediafare Corp. 777 F.2d 78, 80 (2d. Cir. 1985). "What matters are the parties' expressed intentions, the words and deeds which constitute objective

signs [of whether the parties intend to be bound] in a given set of circumstances." R.G. Group, 751 F.2d at 74.

In determining whether parties have manifested their intent to be bound by an unsigned agreement, courts consider the following factors:

(1) whether there has been an express reservation of the right not to be bound in the absence of a writing;

(2) whether there has been partial performance of the contract; (3) whether all of the terms of the alleged contract have been agreed upon; and (4), whether the agreement at issue is the type of contract that is usually committed to writing.

Winston, 777 F.2d at 80; see also CAC Group Inc. v. Maxim Group LLC, 523 F. App'x 802, 803-04 (2d. Cir. 2013) (summary order). It is well settled that none of the four Winston factors is dispositive; "rather, all four factors should be considered for their bearing on the parties' intent in the context of the entire case." Langreich v. Gruenbaum, 775 F. Supp. 2d 630, 636 (S.D.N.Y. 2011); see also, e.g., Ciaramella v. Reader's Digest Association, Inc., 131 F.3d 320, 323 (2d. Cir. 1997). While courts can determine whether parties intend to be bound by an unexecuted agreement on a motion to dismiss, it is often prudent to exercise caution in deciding whether an agreement is binding before the parties have had an opportunity to submit evidence of their intent. See, e.g., AEP-PRI Inc. v. Galtronics Corp. Ltd., No. 12 Civ.

8981, 2013 WL 4400833, at 7, (S.D.N.Y. August 13, 2013).

The defendants argue that the plaintiffs' claims for breach of the 2013 amendment should be dismissed because the parties expressly provided in the 2012 agreement that there were to be no amendments except with the prior written consent of both parties. The 2013 amendment provides a block for the parties' signatures; however, the plaintiffs concede that the contracting parties never signed the 2013 amendment.

Although an express reservation of the right not to be bound in the absence of a signed writing is entitled to considerable weight in determining whether parties intended to be bound by an unexecuted agreement, the Second Circuit Court of Appeals has explained that no Winston factor is dispositive, and that each is entitled to weight. See, e.g., Ciaramella, 131 F.3d at 323-24. While the Court of Appeals has instructed that mere negotiation or oral agreement may be insufficient to overcome an explicit reservation of the intent not to be bound without a signed writing, see, e.g., R.G. Group, 751 F.2d at 74, the plaintiffs have alleged more than mere negotiation or preliminary agreement. In particular, the plaintiffs have alleged that the defendants partially performed the 2013 amendment.

Partial performance is a factor of "major significance" in determining whether parties intend to be bound by an unexecuted contract. R.G. Group, 751 F.2d at 75.

Indeed, the Second Circuit Court of Appeals instructs that "partial performance is an unmistakable signal that [the performing party] believes there is a contract." Id. at 75-76; see also, e.g., V'soske v. Barwick, 404 F.2d 495, 499-500 (2d Cir. 1968) (partial performance "strongly indicates that the parties thought they had a binding contract").

In this case, the plaintiffs allege that the defendants partially performed the alleged 2013 agreement in two ways: First, by tendering payment under the 2013 amendment, and, second, by using Mixon's name and likeness in promoting the New York restaurant. With respect to payment, the Amended Complaint alleges that on January 23, 2013, the defendants requested Mixon wire information so that the defendants could tender payment to Mixon pursuant to the 2013 amendment. The Amended Complaint also alleges that, on January 25, 2013, Psaltis requested that the defendants pay Mixon pursuant to the 2013 amendment. In response to Psaltis, the defendants allegedly indicated they would make the requested payment. The defendants ultimately paid Mixon $50,000 on January 25, 2013. The defendants' willingness to make the $50,000 payment is plainly consistent with an intent to be bound by the 2013 amendment, because the amount tendered is precisely that amount owed under the 2013 amendment, and because absent an intent to be bound by the 2013 amendment, the defendants owed Mixon only $37,500 at the time they tendered

the payment.

With respect to the use of Mixon's name and likeness, the Amended Complaint alleges that on January 22, 2013, the defendants launched a Facebook page that promoted the New York restaurant by emphasizing Mixon's involvement. Moreover, the Amended Complaint alleges that the defendants conducted an aggressive marketing campaign that promoted the New York restaurant by highlighting the restaurant's association with Mixon. The defendants' use of Mixon's name and likeness in connection with the New York restaurant strongly indicates that the defendants intended to be bound by the 2013 amendment because the defendants had no authorization to use Mixon's name and likeness in connection with the New York restaurant under the parties' prior agreement. Accordingly, the plaintiffs have alleged considerable partial performance with respect to the 2013 amendment.

In light of such considerable allegations of partial performance, the Court cannot at this stage in the litigation conclude the 2013 amendment was only a preliminary and nonbinding agreement. Indeed, several of the authorities upon which the defendants rely only determined the issue of intent on a motion for summary judgment or at trial. See, e.g., Jim Bouton Corp. v. William Wrigley, Jr. Co., 902 F.2d 1074, 1075 (2d Cir. 1990); Arcadian Phosphates v. Arcadian Corp., 884 F.2d 69, 73 (2d Cir. 1989); Braun v. CMGI, Inc., No. 99 Civ. 12328,

2001 WL 921170, at 1 (S.D.N.Y. August 14, 2001).

The defendants argue that, even if the plaintiffs' claims for breach of the alleged 2013 amendment cannot be dismissed under the Winston test, the claims for breach of the 2013 amendment should be dismissed because New York General Obligation Law prevents parties from modifying any prior agreement that precludes oral modifications without a signed writing. See N.Y. General Obligation Law Section 15-301. The plaintiffs respond that their claims should survive under the partial performance exception to Section 15-301.

Under New York law, the partial performance exception to Section 15-301 applies if two conditions are satisfied. First, the partial performance must be "unequivocally referable" to the alleged modification. See, e.g., Merrill Lynch Interfunding, Inc. v. Argenti, 155 F.3d 113, 122 (2d Cir. 1998); Rose v. Spa Realty Associates, 366 N.E.2d 1279, 1289 (N.Y. 1977). Second, the partial performance must entitle the defendant to a benefit under the alleged contract. See, e.g., Merrill Lynch Interfunding, 155 F.3d at 122; Club Haven Investment Co., LLC v. Capital Co. of America, LLC, 160 F. Supp. 2d, 590, 592 (S.D.N.Y. 2001).

In this case, the plaintiffs argue that the defendants' $50,000 payment to Mixon is unequivocally referable to the 2013 amendment. The defendants rely on American International Telephone Incorporated v. Mony Travel Services,

Inc., No. 99 Civ. 11581, 2001 WL 209918 (S.D.N.Y. February 23, 2001), and on Amresco Financial I, L.P. v. Stone-Tec, Incorporated, No. 98 Civ. 2872, 1998 WL 888987 (S.D.N.Y. December 21, 1998), to argue that the $50,000 payment is not unequivocally referable to the 2013 amendment because the defendants were already required to pay Mixon pursuant to the 2012 agreement. The defendants' argument is unpersuasive because the defendants did not owe Mixon $50,000 or more under the 2012 agreement when the $50,000 payment was made. Rather, at that time, the defendants owed Mixon only $37,500 under the 2012 agreement. The defendants maintain that any excess payment is not unequivocally referable to the 2013 amendment because it was made in anticipation of payments that would later come due under the 2012 agreement. However, the defendants have not identified in the record before the Court on this Motion to Dismiss any evidence suggesting that such anticipatory payments were intended. Accordingly, the $50,000 payment cannot at this time in the litigation be reasonably explained without reference to the 2013 amendment and is therefore unequivocally referable to the 2013 amendment. See cf. Merrill Lynch Interfunding, 155 F.3d at 122-23; and Anostario v. Vicinanzo, 450 N.E.2d 215, 216 (N.Y. 1983). The plaintiffs also argue, correctly, that the defendants' use of Mixon's name and likeness in connection with the marketing and development of a New York restaurant constituted partial

performance unequivocally referable to the 2013 amendment. The defendants do not dispute that they used Mixon's name and likeness in connection with the marketing and development of the New York Restaurant. Instead, the defendants contend that such use is not unequivocally referable to the 2013 amendment because it was authorized under the 2012 amendment. The defendants' argument is unpersuasive because the defendants have not identified any provision in the 2012 agreement that authorizes the defendants to use Mixon's name and likeness in connection with any New York Restaurant. Rather, the defendants point to provisions of the 2012 agreement that authorize them to use Mixon's name and likeness in connection with the Miami restaurant, and that require all parties to the 2012 agreement to consult each other before attempting to open additional restaurants affiliated with Pride and Joy. Although the latter provision plainly contemplates future collaboration, it does not in any way expand the defendants' authorization to use Mixon's name and likeness beyond the Miami restaurant. Because the defendants only obtained authorization to use Mixon's name and likeness in connection with the New York restaurant through the 2013 amendment, the defendants' use of Mixon's name and likeness in marketing the New York restaurant is unequivocally referable to the 2013 amendment.

Indeed, for this reason, the defendants' attempt to characterize their conduct as preparatory activity that does

not satisfy the partial performance exception to Section 15-301 is also unpersuasive. It is true that conduct intended to facilitate the ultimate execution of a commercial agreement does not constitute partial performance. See, e.g., Merrill Lynch Interfunding, 155 F.3d at 122-23; and Anostario, 450 N.E.2d at 216. However, the defendants' conduct in using Mixon's name and likeness appears to be more than mere preparatory steps because the defendants' conduct arguably involved activity that could only have been authorized by the 2013 amendment. Accordingly, the defendants' conduct with respect to the use of Mixon's name and likeness in connection with the New York restaurant is explicable only as partial performance unequivocally referable to the 2013 amendment.

The defendants' conduct with respect to the use of Mixon's name and likeness in connection with the New York restaurant also constitutes a benefit to which the defendants were entitled only as a result of the 2013 amendment. Therefore, the plaintiffs have sufficiently alleged partial performance that is unequivocally referable to the 2013 amendment, and that entitled the defendants to a benefit under the 2013 amendment. As a result, the partial performance exception to Section 15-301 is applicable to the plaintiffs' claim for breach of the 2013 amendment and the defendants' motion to dismiss claims predicated on the 2013 amendment is denied.

The defendants also assert that the plaintiffs' contract claims against PJNY must be dismissed in their entirety because PJNY was not a party to the contracts at issue in this action.

Ascertaining whether an entity or individual is a party to a contract is initially a matter of law for the Court to decide. See, e.g., K. Bell & Associates, Inc. v. Lloyds Underwriters, 97 F.3d 632, 637 (2d Cir. 1996). However, the Court should construe a contract as a matter of law only where the contract is unambiguous on its face. A contract is unambiguous if it "has a definite and precise meaning, unattended by danger of misconception in the purpose of the contract itself, and concerning which there is no reasonable basis for a difference of opinion." Sayers v. Rochester Tow Corp. Supplemental Management Pension Plan, 7 F.3d 1091, 1095 (2d Cir. 1993). On the other hand, a contract is ambiguous where it is "capable of more than one meaning when viewed objectively by a reasonably intelligent person who has examined the context of the entire integrated agreement and who is cognizant of the customs, practices, usages and terminology as generally understood in the particular trade or business." Nowak v. Ironworkers Local 6 Pension Fund, 81 F.3d 1182, 1192 (2d Cir.1996). "Where the intent of the parties is too ambiguous to be gleaned from the contract alone, the Court should receive evidence that might better clarify that intent."

DKR Capital, Inc. v. AIG International West Broadway Fund, Ltd., No. 03 Civ. 1568, 2003 WL 22283836, at 4, (S.D.N.Y. 2003).

In this case, the plaintiffs allege that PJNY was a party to the contracts at issue on the basis of the 2013 amendment. According to the plaintiffs, this is so because the 2013 amendment specified that the party contracting with the plaintiffs was no longer PJM, but rather an entity called Pride and Joy, LLC, which represented both PJM and PJNY.

The defendants argue that the 2013 amendment cannot provide a basis for PJNY's liability for two reasons. First, the defendants contend that the 2013 amendment cannot provide a basis for PJNY's liability because the 2013 amendment was a nonbinding draft agreement. However, the Court has already concluded that it cannot find at this stage that the 2013 amendment was insufficient to bind the parties.

Second, the defendants argue that the 2013 amendment cannot provide a basis for PJNY's liability because PJNY was not a party to the 2013 amendment. This argument is unpersuasive. The 2013 amendment provides that it shall "supplement [] and amend[]" the 2012 agreement. The 2013 amendment then modifies the 2012 agreement by substituting new entities for those individuals and entities originally party to the 2012 agreement. The 2013 amendment provides that all references to PJM are amended to reference Pride and Joy, LLC.

Accordingly, it is clear that Pride & Joy, LLC was the contracting entity for purposes of the 2013 amendment and, if the 2013 amendment was binding, that Pride and Joy, LLC also replaced PJM as the contracting entity for purposes of the 2012 agreement.

The plaintiffs allege that this substitution made PJNY party to both the 2013 amendment and the 2012 agreement, because the substituted entity, Pride and Joy, LLC, is an assumed business name that encompasses both PJM and PJNY. Although the defendants contend that this is not so, the Court must at this stage presume that the plaintiffs' allegations are true. Because Pride & Joy, LLC is plainly a contracting party to the 2013 amendment, and because the plaintiffs allege that Pride and Joy, LLC is an assumed business name that encompasses both PJM and PJNY, the Court cannot find that the terms of the 2013 amendment unambiguously exclude PJNY as a party to the 2013 amendment.

Moreover, the allegations in the Amended Complaint support the plaintiffs' contention that PJNY was a party to the 2013 amendment because PJNY's conduct was allegedly consistent with the conduct of a party to the 2013 amendment. For example, PJNY marketed the restaurant using Mixon's name and likeness, leased space for the New York restaurant, applied for and received a liquor license for the New York restaurant, and held a pre-opening of the New York restaurant. Therefore, the

defendants' motion to dismiss the plaintiffs' breach of contract claims against PJNY is denied.

The defendants next contend that the plaintiffs' trademark infringement claim against Defendant Cardenas must be dismissed because the plaintiffs have not pleaded facts asserting a plausible inference that Defendant Cardenas was sufficiently involved in the alleged infringement. The defendants rely on Bambu Sales v. Sultana Crackers, Inc., 683 F. Supp. 899, 913-914 (E.D.N.Y. 1988), and Carell v. Shubert Organization, Inc., 104 F. Supp. 2d 236, 271 (S.D.N.Y. 2000), to argue that the claims of trademark infringement against Cardenas must be dismissed because Cardenas was not the "moving, active conscious force" behind the infringement.

In Bambu, the court dismissed the trademark infringement claims against a corporate official where the record on summary judgment contained "no facts to support his liability." Similarly, in Carell, the court found that the plaintiffs' allegations that various defendants occupied senior positions at infringing companies, when coupled with the conclusory allegation that the defendants "'participated in some if not all' of the infringements," were not sufficient to plead that several of the individual defendants were a moving, active, conscious force behind the alleged infringement.

In this case, however, the plaintiffs have made more substantial allegations of the individual defendants'

involvement in the alleged infringement. The plaintiffs allege that Cardenas was the majority owner and managing member of both PJM and PJNY, and that Cardenas did not merely participate in, but at all times oversaw and directed the infringement alleged. Indeed, the plaintiffs allege that Cardenas was one of the individuals who initially approached Mixon about the prospect of partnering on a barbeque restaurant in Miami. Because these allegations support a plausible inference that Cardenas was both aware of and intimately involved in the trademark infringement alleged, the plaintiffs have plausibly alleged that Cardenas was a conscious, active, and moving force behind the alleged infringement and the defendants' motion to dismiss the plaintiffs' claims against Cardenas is denied.

Finally, the defendants assert in a footnote that the plaintiffs' claims for common law misappropriation of name and likeness must be dismissed because no such cause of action exists under New York law. In the same footnote, the defendants also assert that, in the event that the plaintiffs' claims for common law misappropriation of name and likeness are not dismissed in their entirety, the claims should be dismissed against Defendant Cardenas on the grounds that the plaintiffs' Amended Complaint does not contain allegations sufficient to support a plausible inference that Defendant Cardenas can be held personally liable for the infringement alleged.

These arguments will not be considered on the present

Motion to Dismiss because it is well settled that courts may disregard as insufficiently presented for consideration arguments raised only in a footnote. See, e.g., Dorchester Financial Services, Inc. v. Banco BRJ, S.A., No. 11 Civ. 1529, 2014 WL 684831, at 2 n.2 (S.D.N.Y February 21, 2014) (collecting cases); cf. Paese v. Hartford Life and Accident Insurance Co., 449 F.3d, 435, 446, n.3 (2d Cir. 2006), (applying similar principle on appeal) and (collecting cases).

Accordingly, the defendants' motion to dismiss the plaintiffs' claim for common law misappropriation of name and likeness is denied.

The Court has considered all of the arguments of the parties. To the extent not specifically addressed above, they are either moot or without merit. For the foregoing reasons, the defendants' motion to dismiss is denied. The Clerk is directed to close Docket Number 15.

So, okay.

There has been no answer, right, because there's a motion to dismiss, right?

MR. MACDONALD: Correct.

THE COURT: How much time for discovery?

MR. MACDONALD: I would certainly defer to the plaintiffs.

MR. NAKAMURA: Your Honor, I'd say four to five months.

THE COURT: How much?

MR. NAKAMURA: Four to five months.

THE COURT: Why so much?

MR. NAKAMURA: It could be three to four months, your Honor.

THE COURT: Whatever.

MR. NAKAMURA: I think it's realistic, four to five.

THE COURT: Okay. The time to answer the amended complaint is May 2. Complete discovery by September 5.

There aren't going to be any more parties or causes of action, are there?

MR. NAKAMURA: Not from plaintiff, your Honor, as far as I know.

THE COURT: So let me put in, no additional parties and causes of action after May 16th. No additional defenses after May 30. Dispositive motions, if any, by September 26. Joint pretrial order by October 10.

Is this a jury trial?

MR. NAKAMURA: Yes, your Honor. I believe so. I think I've requested it.

THE COURT: Estimated trial time is four days. The parties should be ready for trial on 48 hours' notice on and after October 24th.

Would the parties agree to try the case before the Magistrate Judge?

MR. NAKAMURA: I'd have to consult with my client, your Honor.

THE COURT: That's fine.

Does it make any sense for me to send the case to the Magistrate Judge for purposes of settlement at this point?

MR. NAKAMURA: Again, I'd have to talk to my client but --

THE COURT: I mean, all of you are perfectly capable of settling on your own.

Does the plaintiff have any desire to continue its relationship with the defendant?

MR. NAKAMURA: My understanding is no, given the defendants' conduct, your Honor.

THE COURT: So, one would think that the plaintiff should make a demand, right, and then the defendant can respond? There are things that are just up in the air, life, suspension of payments.

Okay. Well, no one is rushing to tell me that they think the case is ripe for the Magistrate Judge for purposes of settlement, but what I'll do is I'll just ask you, if you would, to let me know by May 16 whether the parties agree to trial before the Magistrate Judge, and whether a reference to the Magistrate Judge for purposes of settlement would be useful.

You can just send me a joint letter, I don't have to

know who wants to go to the Magistrate Judge and who doesn't. Okay?

MR. NAKAMURA: Yes.

THE COURT: Anything else?

MR. NAKAMURA: No, your Honor.

MR. MACDONALD: No, your Honor. Thank you.

THE COURT: Good to see you all.

MR. NAKAMURA: Thank you, your Honor.

MR. MACDONALD: Thank you, your Honor.

(Adjourned)